

Executive Summary: Customer Churn Analysis

This report analyzes customer churn trends to identify factors influencing customer retention and attrition. The dataset explores customer demographics, contract types, service usage, and payment methods. Various visualizations and statistical insights were used to uncover patterns in churn behavior.

Key Findings and Insights

1. Senior Citizens and Churn Rate

- Senior citizens (age 65+) have a **churn rate of approximately 42%**, significantly higher than non-senior customers at **25%**.
- This suggests that older customers might require better engagement strategies or customized service plans.

2. Customer Tenure and Churn

- Customers who have been with the company for **less than 6 months** exhibit a **churn rate of over 60%**.
- In contrast, customers with a tenure of **more than 2 years** have a **churn rate below 15%**.
- The trend indicates that the first few months of service are critical for customer retention.

3. Impact of Contract Type on Churn

- Month-to-month contract holders are **most likely to churn (over 55%)**, while those with **1-year (11%)** and **2-year contracts (5%)** have much lower churn rates.
- Encouraging customers to opt for **long-term contracts** could significantly reduce churn.

4. Service Usage and Churn Trends

- Customers using **Phone Service, DSL Internet, and Online Security** have **higher retention rates (over 80%)**.
- Customers who do not subscribe to **Online Backup, Tech Support, or Streaming TV** show a **churn rate of 45%-50%**.
- This indicates that customers who use more services are more likely to stay.

5. Payment Method Influence on Churn

- Customers using **electronic checks** have a **churn rate of over 50%**, significantly higher than those using credit cards (20%) or bank transfers (22%).
- This suggests that customers paying via electronic checks might face more billing issues or lack automation, leading to dissatisfaction.

Recommendations

1. **Increase Customer Engagement in the First 6 Months**
 - Offer personalized onboarding, discounts, or loyalty programs to improve retention rates.
2. **Promote Long-Term Contracts**
 - Provide better incentives for 1-year and 2-year contracts to reduce month-to-month churn.
3. **Bundle Key Services**
 - Encourage customers to subscribe to Online Backup, Tech Support, and Streaming TV, as these services improve retention.
4. **Improve Billing Options**
 - Promote credit card or bank transfer payments instead of electronic checks to reduce churn due to billing-related dissatisfaction.

By implementing these strategies, the company can reduce churn rates and enhance customer lifetime value.